



# ***NEWS RELEASE***

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## **DCA Urges Consumers to Evaluate Pre-need Funeral Plans Carefully**

SACRAMENTO -- With the number of people planning for their own funerals likely to grow for the foreseeable future, the Department of Consumer Affairs (DCA), as part of Older Americans Month, is urging Californians to do their homework before entering into these arrangements.

DCA Director Charlene Zettel notes that a 1998 survey by AARP found that 32 percent of the U.S. population age 50 and older, or 21 million people, had pre-paid at least a portion of their funeral or burial expenses.

The Cemetery and Funeral Bureau, the DCA agency that regulates the cemetery and funeral industry, reports that at least 200,000 Californians have entered into this type of an arrangement, known in the business as a "pre-need." California's funeral homes and state-licensed cemeteries report the value of funeral home pre-needs and cemetery Special Care Funds held in various trusts at \$800 million as of December 31, 2004, the latest figure available. This figure does not include many others who may have chosen to use payment options other than trusts to prepay for their arrangements.

Baby Boomers began turning 60 this year at a rate of nearly 8,000 a day, according to the U.S. Census Bureau. In California, the number of people age 60 and older has been growing rapidly since the mid-20<sup>th</sup> Century. Between 1950 and 1990, the elderly population grew from 1.6 million to 4.2 million, an increase of 157 percent. By 2010, one in five Californians will be 60 years of age or older.

"As the population ages, we would expect more people to take advantage of this type of agreement," said Director Zettel. "But it's important for consumers to be cautious."

In a recent speech in Sacramento at DCA's *Senior Summit 2006: Protecting and Serving California's Aging Population*, Cemetery and Funeral Bureau Chief Sherrie Moffet-Bell noted that of the 600 complaints fielded by her agency last year, 42 percent involved pre-need issues.

"A pre-need can be a good idea, but the consumer has to do his or her homework," said Moffet-Bell.

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## DCA Urges Consumers to Weigh Pre-need Funeral Plans Carefully

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The Department of Consumer Affairs offers the following tips:

- **Over time** prices may go up, so ask for a guaranteed price plan.
- **Be aware** that businesses may close or change hands and that you may wish to move to another place or change your mind and decide you want to change your arrangements. It's a good idea to review and revise your decisions every few years.
- **Always** put your wishes in writing and give copies to family members and your attorney. Make sure your survivors are aware of your wishes.
- **Make sure** that any contract you sign for services fully describes those services. There will usually be some costs that cannot be prepaid. Services such as opening and closing the grave are not usually part of the pre-need contract and must be paid at time of need.
- **If you opt** for a traditional burial, check with the cemetery to make sure it will accommodate your wishes. Many cemeteries have rules regarding burials and markers.

For a full discussion of pre-need cemetery and funeral options, consult the *Consumer Guide to Funeral & Cemetery Purchases* available in both English and Spanish at the Cemetery and Funeral Bureau Web site at [www.cfb.ca.gov](http://www.cfb.ca.gov). The Bureau licenses and regulates the California funeral and cemetery industries. It also investigates complaints against funeral homes, crematories, state-licensed cemeteries and individual licensees.

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